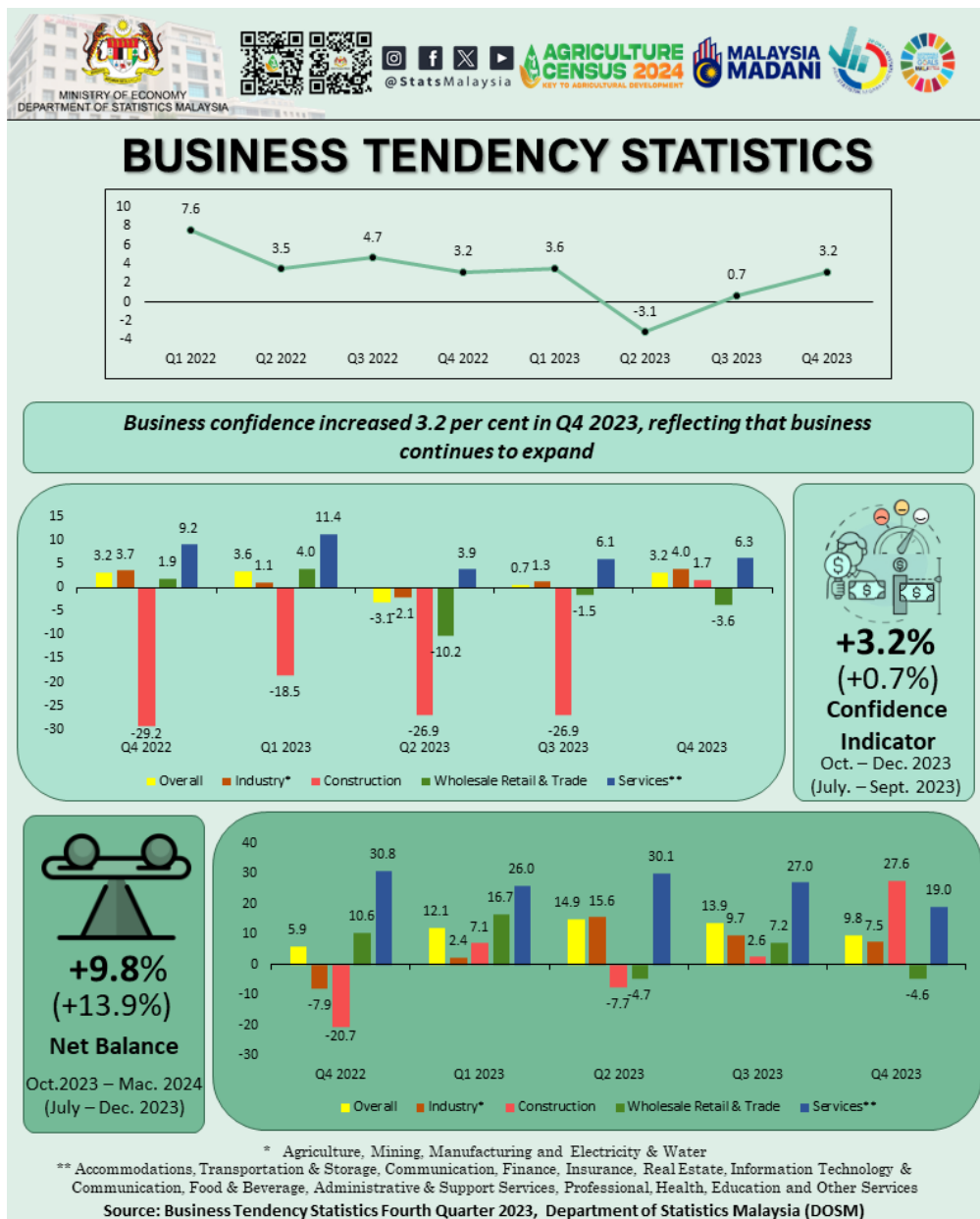




MINISTRY OF ECONOMY
DEPARTMENT OF STATISTICS MALAYSIA

BUSINESS TENDENCY STATISTICS



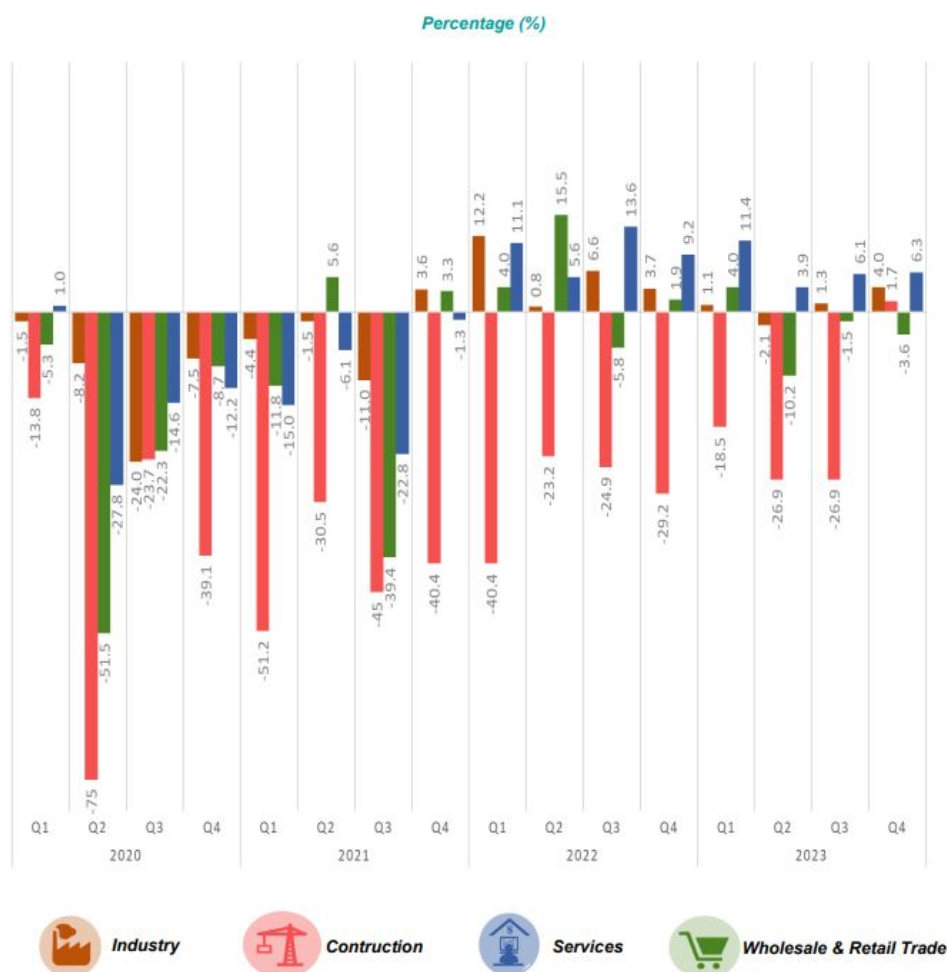
FORECAST OF BUSINESS PERFORMANCE FOR THE FOURTH QUARTER 2023

Businesses anticipate a better business situation in the fourth quarter of 2023, with a positive confidence indicator of 3.2 per cent, up from 0.7 per cent in the third quarter of 2023.

Services, Industry, and Construction are the three sectors that anticipate better business conditions in the fourth quarter of 2023. The business confidence for Services sector remains on a positive trajectory, with the confidence indicator increasing to +6.3 per cent as against +6.1 per cent in the last quarter. Meanwhile, Industry sector continues to be optimistic about business performance, with a confidence indicator of +4.0 per cent for the corresponding quarter as compared to +1.3 per cent in the third quarter of 2023. Simultaneously, sentiments within Construction sector upturn to a positive trajectory for the first time since the first quarter of 2018 by posting +1.7 per cent as against -26.9 per cent in the third quarter of 2023.

However, businesses within the Wholesale and Retail Trade sector expect pessimistic business outlook, with a confidence indicator of -3.6 per cent in the fourth quarter of 2023 as opposed to -1.5 per cent in the last quarter.

Quarterly Confidence Indicator by Sector, Malaysia, 2020-2023



Expectations of Gross Revenue and Number of Employees

A total of 35.6 per cent of respondents expect their gross revenue to increase in the fourth quarter of 2023, while 23.4 per cent expect it to decline, resulting in a net balance of +12.2 per cent. Concurrently, 41.1 per cent of respondents anticipate a stagnation in their gross revenue.

In terms of employment, 72.6 per cent of businesses expect to keep their employees through the fourth quarter of 2023. Around 18.1 per cent of respondents expect to hire more, while 9.3 per cent expect to reduce their numbers, resulting in a net balance of +8.8 per cent for the reference quarter.

Expected of Net Balance Gross Revenue and Number of Employees, 2020-2023

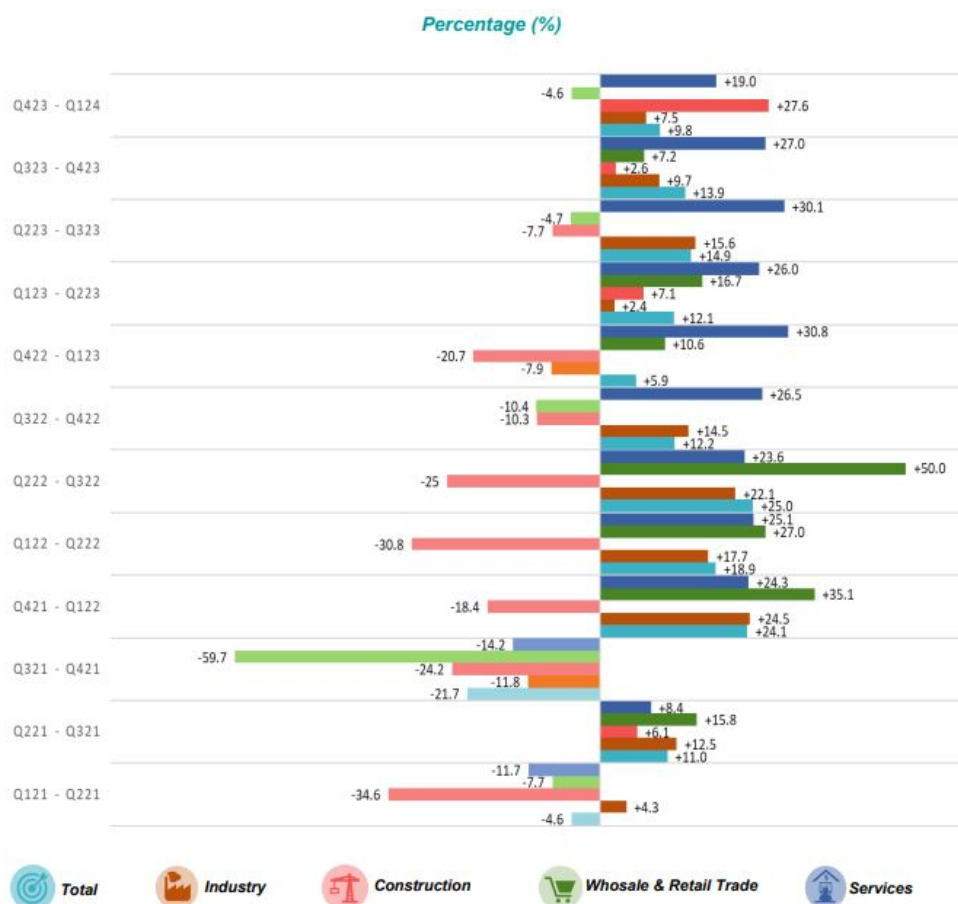


EXPECTATIONS OF BUSINESS PERFORMANCE IN OCTOBER 2023 TO MARCH 2024

Looking ahead, the business outlook for the period of October 2023 until March 2024 remain upbeat despite moderating, with a net balance of +9.8 per cent as against +13.9 per cent recorded previously, with all sectors register positively except the Wholesale and Retail Trade. Sentiments in Services sector remain positive, with a net balance of +19.0 per cent. For the next six months, all sub-sectors under Services sector anticipate a positive business environment. Industry sector also foresees a brighter business outlook, with a net balance of +7.5 per cent for the period of October 2023 until March 2024. After soaring to a positive trajectory for the second half of 2023, the Construction sector keeps improving significantly, with a net balance of +27.6 per cent for the upcoming six months.

Wholesale & Retail Trade expects a challenging business outlook for the following six months with a net balance of -4.6 per cent. This scenario is due to the pessimist sentiment from the Wholesale Trade sub-sector. Nevertheless, Retail Trade sub-sector rebounded to a positive trajectory by recording +3.0 per cent for the expected 6 months ahead compared to -12.4 per cent recorded previously.

Net Balance of Business Performance Expectation for Upcoming Six Month by Sector, Malaysia, 2021-2023



Contact person:

Baharudin Mohamad
Public Relation Officer
Strategic Communication and International Division
Department of Statistics Malaysia
Tel : +603-8090 4681
Fax : +603-8888 9248
Email : baharudin[at]dosm.gov.my

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